



AmericanPacific

BORATES LIMITED

ASX Announcement

ASX Code: ABR

ACN: 615 606 114

9 February 2021

ABR CONFIRMS APPOINTMENT OF OKLAHOMA BASED CONSTRUCTION COMPANY FOR FORT CADY BORATE MINE

HIGHLIGHTS

- NASDAQ listed Matrix Service Company (NASDAQ:MTRX) has been appointed to complete the construction of Phase 1A of the Fort Cady Borate Mine
- Matrix is a leading North American industrial and construction contractor
- Initial borate production on track for Q3, CY2021
- ABR remains fully funded for Phase 1A construction with A\$67.3m cash at bank as at 31 January 2021

American Pacific Borates Limited (ASX:ABR) ("ABR" or the "Company") is pleased to announce it has appointed Matrix Service Company ("Matrix") to complete the construction of Phase 1A of the Fort Cady Borate Mine.

Commenting on the appointment, ABR CEO and Managing Director, Mike Schlumpberger said:

"We are delighted with the appointment of Matrix to complete the construction of Phase 1A of our Fort Cady Borate Mine. Matrix is a leading North American industrial engineering and constructor contractor headquartered in Tulsa, Oklahoma. Matrix's core values of safety and community involvement align perfectly with ABR's core values and intention to ensure the mine is delivered safely and with positive community involvement."

"This is another important step in the fulfilment of our aspiration to become a globally significant producer of borates and specialty fertilisers."

Fort Cady Borate Mine Construction Contractor

Matrix (Nasdaq: MTRX) has been appointed prime contractor to complete the construction of Phase 1A of the Fort Cady Borate Mine. Matrix through its subsidiaries, is a leading North American industrial engineering and construction contractor headquartered in Tulsa, Okla with offices located throughout the United States and Canada, as well as Sydney, Australia and Seoul, South Korea. The company has a focus on sustainability, building strong Environment and Social and Governance (ESG) practices.

COMPANY DIRECTORS

David Salisbury – Non-Executive Chairman

Michael X. Schlumpberger – Managing Director & CEO

Anthony Hall – Executive Director

Stephen Hunt – Non-Executive Director

Jimmy Lim – Non-Executive Director



ISSUED CAPITAL

375.1 million shares

61.1 million options

REGISTERED OFFICE

Level 12, 197 St Georges Terrace, Perth
WA, 6000, Australia

US OFFICE

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Matrix ranks among the Top 100 Contractors by Engineering-News Record, was recognised for its Board diversification by 2020 Women on Boards, is an active signatory to CEO Action for Diversity and Inclusion, and is consistently recognised as a Great Place to Work®.

Matrix has begun integration with ABR's Fort Cady Borate Mine office and engineering consultants to ensure completion of the initial borate operation in Q3, CY2021.

ABR's current intention is to retain Matrix for the balance of the three production phases of the Fort Cady Borate Mine.

Phase 1A Financing

ABR remains fully funded to complete the construction of Phase 1A of the Fort Cady Borate Mine with A\$67.3m cash at bank as at 31 January 2021.

- ENDS -

Authorised for release by: Michael X. Schlumpberger, Managing Director.

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About American Pacific Borates Limited

American Pacific Borates Limited is focused on advancing its 100% owned Fort Cady Borate Mine Project located in Southern California, USA. Fort Cady is a highly rare and large colemanite deposit and is the largest known contained traditional borate occurrence in the world not owned by the two major borate producers Rio Tinto and Eti Maden. The JORC compliant Mineral Resource Estimate and Reserve is presented below. Importantly, it comprises 13.93Mt of contained boric acid.

In excess of US\$80m has been spent at Fort Cady, including resource drilling, metallurgical test works, well injection tests, permitting activities and substantial small-scale commercial operations and test works.

An updated enhanced Definitive Feasibility Study ("eDFS") was completed in February 2021 (ASX release dated 4 February 2021¹). The updated eDFS has production targets of 450kstpa of boric acid and 400kstpa of SOP in full production. Financial metrics include an unlevered post tax NPV₈ of US\$2.02bn, an unlevered post tax IRR of 41% and an EBITDA in the first full year of production of US\$453m.

The Company is currently in construction of the initial phase of the Fort Cady Borate Mine with first production targeted for Q3, CY2021.

JORC compliant Mineral Resource Estimate and Reserve (ASX release dated 3 December 2018²)

JORC compliant Mineral Resource Estimate and Reserve						
Reserves	MMT	B ₂ O ₃ %	H ₃ BO ₃ %	Li ppm	B ₂ O ₃ MT	H ₃ BO ₃ MT
- Proven	27.21	6.70	11.91	379	1.82	3.24
- Probable	13.80	6.40	11.36	343	0.88	1.57
Total Reserves	41.01	6.60	11.72	367	2.71	4.81
Resources						
- Measured	38.87	6.70	11.91	379	2.61	4.63
- Indicated	19.72	6.40	11.36	343	1.26	2.24
Total M&I	58.59	6.60	11.72	367	3.87	6.87
- Inferred	61.85	6.43	11.42	322	3.98	7.07
Total M,I&I	120.44	6.51	11.57	344	7.84	13.93

In addition to the flagship Fort Cady Project, the Company also has an earn in agreement to acquire a 100% interest in the Salt Wells North and Salt Wells South Projects in Nevada, USA on the incurrence of US\$3m of Project expenditures. The Projects cover an area of 36km² and are considered prospective for borates and lithium in the sediments and lithium in the brines within the project area. Surface salt samples from the Salt Wells North project area were assayed in April 2018 and showed elevated levels of both lithium and boron with several results of over 500ppm lithium and over 1% boron.

¹ ABR confirms all material assumptions underpinning the production target and corresponding financial information continue to apply and have not materially changed as per Listing Rule 5.19.2.

² ABR confirms all material assumptions and technical parameters underpinning the Resource Estimate and Reserve continue to apply and have not materially changed as per Listing Rule 5.23.2



Location of the Fort Cady and Salt Wells Projects in the USA

Forward Looking Statements

This announcement contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.